App. F. IX-4

193 . (LM)

File No. 7-36

Serial Nos. 1-2

Previous References

Jany 30-26-7
LM 14-29-12
" 18-29-4
" 21-29-4
" 7-33-7

L.M 16-34-3
" 5-34-2
" 7-35-5

Letter References.

Com. 15-36 (1-4)
" 21-38 (1 x 2)
RS 46-00 — 1-4.
" 85-AR-1-7

P 35 (E)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Two

Part B for March 37

SUBJECT.

Issue of a fourth series of debentures by the Mysore Cooperative Land mortgage Bank Ltd

D4 189-92 dt. 7.1.37,

Regr Co-op Societies
Rev. Commr
Compt Gen
President Land Mort Bank

Sanctions the proposal of the Regr of C.S.

WD 0418—GPB—22,500—29-8-36

G. R. S. APP. F. III—1]

GENERAL AND REVENUE SECRETARIAT.

File No.)-36

FILE HEADING.

Commercial re the Mysore Cooperative Land Mortgage Bank Ltd to float a fourth series of debentures of the value of Rs five lakhs at 3½ per cent

FROM The Registrar of Cooperative Societies in Mysore

No. Coop M 29 Dated 21-10-31 Received 4-11-31

Diary No. 2305 Enclos. 3 Spare copies — Serial No. 1

BRIEF ABSTRACT OF LETTER

Requests in the circumstances mentioned sanction to float fourth series of debentures for rupees five lakhs at 3½ per cent and also requests that the Govt be requested to take up debentures to the extent of Rs 150200/- and also request that the rate of Govt subscription be reduced to 3½ per cent

NOTES AND ORDERS.

G 1143 8-4-4
Secy 30-2-32 9 10-4-32
Flag F

1) While passing orders about the ..... a Central L.M. Bank at Bangalore. Govt directed in their Order dated the 10th April 1928 that they will, if necessary, be prepared to invest in the Bank an aggregate sum of Rs 5 lakhs, this investment being for the first three years at the rate of Rs one lakh and the balance being invested in accounts equivalent to that raised by the Bank from the public in debentures or res (Para 6

NOTES—First Sheet.

WD 69—GBPM—5,000—14-7-31

of the G.O.)

Maj F.

iv) In connection with the grant of certain concessions to the Bank, Govt guaranteed the debenture holders of the LM. Bank, repayment of the principal amounts of the debentures loans at maturity as well as payment of interest as it fell due limited to 5% per annum free of income tax on the debentures for the first ten lakhs only.

G.O. No. G 694/14 LM 14-29-1 dated 4-12-29. Maj G

v) In G.O dated 11-4-1930 sanction was accorded to the L.M. Bank to issue a debenture of Rs 3 lakhs at 5% per annum free of income tax

G.O. No G/2215-8 LM 21-29-2 dated 11-4-30 Maj S

the issue of Rs one lakh sanctioned by Govt to be ~~transferred~~ deposits with the Bank as per G.O dated 21-3-30 being converted into debentures in this issue

vi) As the amounts subscribed in the first series of debentures had been disbursed as loans ... but since as further sums have required to meet the demand to the extent of about a lakh of rupees Govt sanctioned the issue of a second series of debentures for a sum of Rs 2.5 lakhs at 4 1/2 per cent per annum free of income tax.

G.O. No D 2624-27 LM 2-33-1 dated 30-11-33 Maj T.

5) The debenture capital raised by the Bank in both the series being only Rs 281000/- and the requirement of the Bank to meet its liabilities on account of the issue of the sanctioned loans and also the consideration of applications in future necessitated the issue of another series of debentures and Govt in their order dated 18/11/35 sanctioned

G.O. No D 4535-38 LM 16-34-3 dated 18/11/35 Maj U

Serial No.

the issue of a third series of debentures for Rs 4 Cr at 4% per annum free of income tax and Govt agreed to take up debentures of the value of Rs 180200 in this series subject to the condition that the debentures to them will be limited only to the extent of the subscriptions from the public fall short of the entire amount and that the amount will be drawn in instalment as & when required for payment

6) It is seen from the report of the Provincial L.M. Board that the Board has realised a sum of Rs 4661007- from the three series of debentures. The Board now intends to float a fourth series for a sum of Rs five lakhs at 3½ per cent free of income tax in order to meet the increased demands for loans due to the gradual extension of the schemes of L.M. operations. The conditions of the issue of the debentures will be the same as in the third series. The Registrar requests sanction to the proposal and also recommends that a sum of Rs 180200/- be provided for in this series in order to make up the five lakhs of rupees provision as in G.O dated 10-6-25.

7) It is submitted that while sanctioning a third series of debentures in Jan 35 Govt agreed to take up debentures for Rs 180200/- subject to certain conditions (vide Para 5 above). As a

NOTE—Contn. Sheet.

WD 6417—GPB—30,000—8-9-36

Serial No.

Series of Rs 1.85 lakhs was subscribed in this series by the public it was not thought perhaps necessary for Govt to subscribe to these debentures. The Registrar now recommends that Govt may take up debentures to the extent of Rs 180200/- in the second series thereby making a total of Rs 2 lakhs and to the condition that the debentures issued to it will be limited only to the extent of the public subscriptions falling short of the aforesaid amount of Rs. five lakhs, and the amount being drawn in instalments as and when required by the Bank.

8) In G.O dated 29-9-34 a sum of Rs 50000/- at 4½ per cent was allowed to the Bank as Cash Credit on certain conditions. The request of the Bank to reduce the rate on the Cash Credit was negatived while passing orders on the question of the issue of the third series of debentures. The Registrar has again recommended that the rate of interest on cash credit be reduced from 4½ to 3½ per cent in view of the easy conditions of the money market.

D 2386-8
L-M. 5-36-2
dated 29/9/34
Flag W

LM 16-36-3
Flag U

9) The request of the Bank to issue a fourth series of debentures for Rs 5 lakhs at 3½ per cent for Govt participation, the subscription by Govt of a sum of Rs 1.802 lakhs in these debentures

issue of debentures by L. M. Bank

Serial No.

and the reduction of the rate of interest on the Cash credit of Rs 50000/- are for orders. Rebate

10) On the question of the lowering of the rate of interest on cash credit, it is submitted that, the General Secretary suggested the reduction to 3½ or 4%, in the file relating to the enhancement of rate on deposits with the Bank, and the Financial Secretary observed that this question may be considered when it is raised by the Bank. The Bank have now requested that, the rate be reduced to 3½ per cent. Submitted with references for orders

LM7-35(1-5)
file X

16/11/36 11) The authorised share capital is Rs 5 Lakhs

Share capital issued is also 5 Lakhs But the capital subscribed according to the Balance sheet for 30-31 is Rs 63,300/- only (~~50 shares of~~ 1266 shares of 50 rupees each) of which the amount paid up was Rs 37713/- The present paid up share capital according to the letter of the President is Rs 58480/-. The reserve fund of the Bank has a small balance of Rs 6572/-

WD 0417--GPB—30,000—8-9-36

GL Secy) 20-11-36

Issue of a fourth Series of Debentures
by the L. M. Boards

6

LH File No. 7 of 1936 | General and Revenue Secretariat

Serial No.

12) The letter from the President of the Board and that of the Registrar fully explain the situation. The proposal to float further debentures for five lakhs at 3½% interest free of income tax and with guarantee from Govt may be agreed. The Board needs more money for issue of loans and there is demand for new land mortgage Societies from nearly every taluk and the five lakhs will be required. The request that Govt's investment in the debentures be brought up to two lakhs — by public subscription reaches an extent to make this unnecessary — may also be agreed.

13) The question of the rate of interest on the cash credit allowed may be examined separately. 20/11

20.11.36

Member

14) I agree with (1) and (2) in the General Secretary's note. It is not possible desirable to reduce the rate of interest on Cash Credit to less than 4½% as suggested. Interest at this rate was charged on the cash credit allowed to the Sugar Company. In any case, this question does not require decision immediately and may be deferred for consideration for the present. There is one point worthy of notice viz that recoveries are not punctual & arrears are accumulating and on this ground it might be desirable to prevent continuous increase in adding to indebtedness and in issuing loans.

15) I agree - 2nd 25/11

16) This may be added in the 2nd 25/11

17) I agree. May be sent to the Bank 2nd 25/11 26.11.36

OFF SECOND MEMO 25 NOV 36 NO 3694

FINANCIAL SECRETARIAT U.O.No. Fl. 1207 20 NOV. 1936 BANGALORE.

Issue of debentures by the Land Mortgage Bank

General and Revenue Secretariat | File No. 44 | of 193 6 | [App. F. III—2

Serial No.

18) If this is a correct case, it has to be dealt with as such

19) The issue of debentures by the Bank previously does not seem to have been treated as Council matter. Please see

Dewan 26/4

DEWAN'S OFFICE 27 NOV. 1936 No. 1618

for approval.

MLL 26/11/36

Dewan 26/11/36. 26.11.36

Dewan)

20) MI 27-11-36

21) For favour of circulation (The Secretary was pleased to say that as Govt guarantee interest, this is really Council matter) -

Ch Secy w.c.

22) C.S. MRS 28/11

Dewan 28/4 28.11.36

WD 0417--GPB—80,000—5-9-36

REPLY

(*To be written on this margin.*)

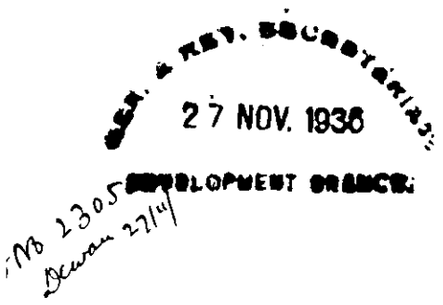
8

OFFICE OF THE
SECOND MEMBER OF COUNCIL

memo no. 146-1

NOTE

Dated .....25th November.....*193*6.



MB 2305
Dewan 27/11

Letter No.237 dated 25th November 1936 from Rajasabhabhushana Diwan Bahadur K.R. Srinivasiengar regarding the issue of fresh debentures for five lakhs at 3½ per cent by the Mysore Co-operative Land Mortgage Bank, is forwarded for favour of taking early action in the matter. The letter has been acknowledged.

General
~~Financial~~ Secretary,
with compliments.

Papers subd to Dewan
Sr Please put up tomorrow
on return from Dewan Jno
26/11
26.11.36

For Disposal by Circulation

No. C. 114 of 1936-1937

GENERAL AND REVENUE SECRETARIAT

Council Matter

Subject

Question of permitting the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore, to float further debentures to the extent of Five Lakhs at 3½% interest free of income-tax, with a guarantee from Government and certain other conditions.

Circulated to the Members of Council

By Order,

30th November 1936

Chief Secretary to Government.

First Member of Council

Second Member of Council (Seen)

GENERAL SECRETARY. 7 DEC. 1936 1028

Gen. Secy with Compliments after circulation.

D.F.N. for adopt

(Seen) 6.12.36

Typed

A fair draft may be put up. The corrections do not seem to affect the records

Issue of Debentures by L. H. Bench

General and Revenue Secretariat — File No. 47/7 of 193 6 — [App. F. III—2

Serial No.

Will Asst Secy please get draft typed & put up. Early

Secd
14/12
typed draft
by
12.12.36

GENERAL SECRETARY. 12 DEC. 1936 1182

Typed draft submitted as directed

12/12/36

Gl Secy by 12.12.36

Secd
14/12 by 15.12.36

OFFICE OF THE SECOND MEMBER OF COUNCIL 15 DEC 1936 No 3908

Secd Member)

7. N. Signed by Member. Secd 15/12/36

CCG

Secd
15/12/36
by
16.12.36

DEWAN'S OFFICE 16 DEC. 1936 No. 1951

Dewan)

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—3-9-36

Final Note by the Second Member of Council.

Subject.—

Issue of a fourth series of Debentures by the Mysore Co-operative Land Mortgage Bank, Ltd.

With the gracious approval of His Highness, a scheme for starting a Land Mortgage Bank in Mysore was sanctioned in April 1928. Permission was given to the Bank to issue debentures up to a limit of Rs.20 lakhs, Government guaranteeing interest thereon at a rate not exceeding 5 per cent and agreeing to invest in the Bank's debentures a sum of Rs.2 lakhs in the first two years and thereafter an additional three lakhs in amounts equal to the sum raised by the Bank from the public in any particular year. Later orders were issued in December 1929 whereby Government guaranteed to debenture holders up to a limit of Rs.10 lakhs, the repayment of principal at maturity as well as the payment of interest not exceeding 5 per cent per annum free of incometax.

The Bank have so far issued three series of debentures and in the aggregate raised a capital of Rs.4,66,100 of which Rs. 19,800 represents the amount subscribed by Government. It is reported that loans to the extent of Rs.5,03,325 have been issued and that a further sum of Rs.60,000 is wanted for the loans already sanctioned but not disbursed. The Bank authorities desir to extend the jurisdiction of the Bank and to take advantage of the present easy conditions of the money market to put themselv in funds to the extent of Rs.5 lakhs which they estimate, will be required to meet the demand for loans in the next year or tw They have accordingly approached Government for permission to float a fourth series of debentures of the value of Rs.5 lakhs at 5½ per cent free of incometax and also requested Government to take up debentures in the new series for a sum of Rs.1,80,000 required to raise the Government investment in the Bank to Rs. two lakhs. It is proposed to limit the debentures issued to Government to the extent that subscriptions from the public fall short

of five lakhs. Also the amount subscribed by Government will be drawn in instalments as and when required for the disbursement of loans sanctioned by the Bank.

The Registrar of Co-operative Societies supports the application of the Bank. At present there are Land Mortgage Societies in 23 taluks and sub taluks, and both in the Representative Assembly and in the Legislative Council frequent representations have been made that the beneficent activities of the Bank should be extended to other taluks. The Financial Secretary, while agreeing to the proposals, has stressed the desirability of proceeding cautiously in adding to the indebtedness of the Bank as the recoveries of instalments of loans granted by it are neither punctual nor satisfactory. It is proposed to accord sanction to the proposals communicating these observations at the same time.

The Dewan and the First Member of Council have agreed to this and I solicit the gracious approval of His Highness to the proposal.

N. Madhava Rao

MEMBER OF COUNCIL.

Bangalore,
15th December 1936.

Submitted to His Highness.

I submit herewith a Final Note by the Second *Member of Council on the subject of* the issue of a fourth series of Debentures by the Mysore Co-operative Land Mortgage Bank, Limited, *for His Highness' gracious approval.*

Mirza M. Ismail
Dewan.

Mysore,
17th December 1936.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Issue of a fourth series of Debentures by the Mysore Co-operative Land Mortgage Bank, Limited.

MS
20.12.36

163

Order.

~~KRW~~
19/12/36

General and Revenue
Secretariat

111
1) H.H. 210

Issue a fourth series of Debentures by the Mysore Co-operative Land Mortgage Bank. Ltd.

(*)

31. All urgent or confidential files returned with His Highnes ' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders.* (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

.....Department.

FIRST MEMBER OF COUNCIL.

22/12

4090
21.12.36 SECOND MEMBER OF COUNCIL.

21/12/36

Gen. Secy.
With Compliments.

22/12

23/12

23.12.36

Debentures to be issued by the M. Bank

2305

General and Revenue Secretariat | Fy File No. 7 of 193 6 | [App. F. III—2

Serial No.

Draft. G.O Lr to Govt

The Ch. 4/1/37

Fl Secy 4.1.37

Issue 5/1/37

GENERAL SECRETARIAT 4 JAN. 1937 39

REVENUE SECTION 1937

Fl-Secy. 1117

Draft and Govt Order to Fl: Secy for information before communication

4/1/37

Issue 7/1/37

Communicate.

2. Fourth Series of Debentures

Sanctions the Proposal of the Registrar of C.S. to permit the Mysore Cooperative Land Mortgage Bank Ltd, to issue a fourth Series of debentures of 5 lakhs at 3½% interest, free of income tax, redeemable at par on 1st Jan 1967.

To. The Registrar C.S.

The Comptroller thro F.D.

The Rev. Commissioner.

The President. Land Mortgage Bank. B'lore

NOTE—Comm. Sheet.

WD 0417--GPE—30,000 -8-9-36

D 4189-92

7th January 1937

No. Campog C.S. 80 Encs: 3 GOVERNMENT OF MYSORE. 2305

31-10-36

DEPARTMENT OF CO-OPERATION.

Telegraphic Address: "CO-OPERT" BANGALORE

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Camp Mysore,
Dated, ~~Bangalore,~~ 30. 10. 1936.

From Sumarked

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., L.L.B.,
Registrar of Co-operative Societies in Mysore
BANGALORE.

4 NOV. 1936 SECRETARIAT BRANCH

To

M. Venkateshaiengar, Esq., M.A.,
General Secretary to Government,
Bangalore

Lm. 7-36-1

GENERAL SECRETARY 31 OCT. 1936

Sir,

I have the honour to forward herewith a copy of letter No:S.1.197 dated 22nd October 1936 received from the President, the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore City, together with copies of the enclosures thereto, in the matter of the flotation of the fourth series of debentures of the value of five lakhs of rupees at 3½ per cent interest. The Bank has so far raised debentures to the extent of Rs.4,66,100 in the first, second and third series and as the owned capital viz., share capital plus reserve fund of the Bank amounts to Rs. 65,052 it can raise debentures to the extent of about Rs. 10,40,000. Government have in their Order No: G.6941-4/L.M.14-29-1 dated 4th December 1929 agreed to guarantee the repayment of the principal and interest in respect of debentures aggregating to ten lakhs of rupees. In the circumstances mentioned in the President's letter I request that sanction of Government may kindly be obtained for the raising of an additional capital of Rs. five lakhs by the issue of debentures in this series at 3½ per cent interest free of income-tax and subject to guarantee by Government.

2. In para 4 of the President's letter it has been stated that out of Rs. 4,66,100/- of debentures already raised by the Bank debentures for a sum of only Rs. 19,800 have been taken up by Government. In para 5 of Government Order No: G.11438-44/Sany.30-26-7 dated 10th April 1928, Government have been pleased to state that they are prepared to invest in the Bank a sum of five lakhs of rupees and that this investment will be at the rate of one lakh of rupees for the first two years and the balance will be invested in amounts equivalent to the amount raised by the Bank

from the public in any particular year. In the circumstances, I recommend that Government may be pleased to take up debentures to the extent of Rs. 1,80,200 in this series making a total of two lakhs on the understanding that the Debentures to be issued to Government will be limited only to the extent that subscriptions from the public falls short of five lakhs, the authorised amount and that the amount will be drawn in instalments as and when required by the Bank for actual disbursement of loans.'

3. Government had sanctioned a cash credit of Rs. 50,000/- at 4½ per cent to the Bank in their Order No:D.2386-8/L.M.5-34-2 dated 27/29th September 1934. In view of the present easy conditions of the money market I recommend that the rate of interest on the cash-credit may be fixed at 3½ per cent which is the rate proposed for t. series of debentures.

I have the honour to be,
Sir,
Your most obedient servant,

M. S. 31/6

Registrar of Cs.

Hon

Letter No: S.I.197 dated 22nd October 1936 from the President, the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore City to the Registrar of Co-operative Societies in Mysore, Bangalore.

****

Subject:-- Floatation of the Fourth series of debentures.

In forwarding herewith a copy of the resolution of the Board of Directors passed at their meeting held on the 11th instant regarding the floatation of a fresh series of Debentures, I have the honour to state that a Debenture capital of Rs. 1,85,100/- was raised by the issue of the Third series of the Bank's Debentures at 4 per cent sanctioned by Government in their Order No: D.4535-38/L.M.16-34-3 dated 18-1-35, bringing the total Debenture - capital raised in all the three series of the debentures issued by the Bank to Rs. 4,66,100 as detailed below:--

1st series.	*Rs. 2,18,500.*
2nd series.	*62,500.*
3rd series.	*1,85,100.*
Total.	*Rs. 4,66,100.*

The total amount of loans actually issued up to date is Rs.5,03,325 (the excess of Rs. 37,225/- over the amount raised by Debentures having been met out of the share capital of the Bank), and a further sum of about Rs. 60,000/- is expected to be shortly disbursed in respect of loans already sanctioned. To meet this excess and also to deal with the increasing number of fresh applications which are expected to be received consequent on the gradual extension of the jurisdiction of the Bank, further funds are required; and as the present conditions of the money market are very favourable for raising the funds, it is proposed to float a fresh series of Debentures at 3½ per cent free of income-tax for a sum of five lakhs of rupees, which may be required to meet the demand for loans within the next year or two. The debentures will be issued from time to time in instalments according to the requirements of the Bank and the issue will be kept open till the full amount is subscribed unless it is considered desirable to close it earlier on account of

any change in the market conditions. The other conditions of issu will be the same as those governing the issue of the third series, and as are embodied in the copy of the prospectus of the Third series which is herewith attached for ready reference.

2. According to the Bank's Bye-law No: 17(b), the Bank can raise funds by the issue of Debentures or otherwise to the extent of sixteen times the subscribed share capital plus Reserve Fund. As the total of the paid up share capital and reserve fund amounts to Rs. 65,052/- as noted in the margin, the Bank can raise debentures to the extent of about Rs. 10,40,000/-. As against this, debentures having been issued in the three series to the extent of Rs. 4,66,100/- as noted above, it is permissible for the Bank to issue further debentures for an additional sum of nearly five and a three-quarter lakhs so that the sum of five lakhs for which it is proposed to issue a fresh series of debentures as above is well within the limit imposed under its Bye-laws.

(a) Share capital (paid up).	Rs. 58,480/-
(b) Reserve fund (excluding the amount proposed to be credited out of last year's profits)	6,572/-
Total. Rs.	65,052/-

3. In the above circumstances, I request that sanction of Government may be kindly obtained for the Bank floating a fresh series of debentures for five lakhs bearing interest at 3½ per cent free of income-tax, on the terms mentioned above. I beg to assure Government that any additional profit which the Bank may make on account of the lower rate of interest payable on these debentures will be utilised for reducing the rate of interest charged by the Bank on the loans advanced to its members.

4. With regard to the amount of debentures to be taken up by Government, I beg to invite your reference to para 5 of Government Order No: G.11438-44/Sany.30-25-7 dated 10-4-1928, and to state that as against the two lakhs of rupees agreed to therein to be invested by Government in the Bank's debentures in the first two years unconditionally, and an additional sum of three lakhs undertaken to be invested "in amounts equivalent to the amount raised

by the Bank from the public in any particular year", debentures for a sum of only Rs. 19,800/- have so far been issued to Government as against Rs. 4,45,300/- taken up by the public up to date. In the circumstances, I request that Government may be kindly moved to take up debentures in the new 3½ per cent series now proposed to be xxixx issued, for a sum of Rs. 1,80,200/-, making a total of two lakhs, on the understanding that the debentures to be issued to them will be limited only to the extent that subscriptions from the public fall short of the authorised amount, and that the amount will be drawn not at once, but in instalments as and when actually required for payment.

5. I also request that in view of the present conditions of xx the money market, sanction of Government may be kindly obtained for the interest payable on the cash credit of Rs. 50,000/- allowed to the Bank as per Government Order No: D.2336-8/L.M.5-34-2 dated 27/29th September 1934 being reduced to 3½ per cent per annum.

****

"Copy"

Registrar of Cs.

Resolution No: 6 of the Board of Directors of the Bank passed at their meeting held on Sunday the 11th October 1936, at 8.30 A.M.

****

* * * *

6. *Floatation of debentures:* *The President explained to the members that, as against a sum of Rs. 4,66,100/- raised by debentures upto now, loans for a sum of Rs. 5,61,025/- have been so far sanctioned of which Rs. 5,03,325/- had been actually disbursed, the excess over the amount raised by debentures having been made up from out of the share capital and proposed that sanction of Government be obtained for raising further debentures to the extent of another five lakhs of rupees, at three and a half per cent, free of income-tax. He said that at this rate it may be possible not only to get the debentures fully subscribed but also to obtain perhaps a small premium on the debentures which could be utilised to reduce the rate of interest on loans, as in the last two years.*

Mr. Venkatakrishnaiya enquired if all the five lakhs of rupees raised will be used up during the year and if it will not be sufficient to float the debentures to the extent of only four lakhs of rupees.

The Registrar of Co-operative Societies suggested that, in view of the present conditions of the money market, the sanction of Government may be obtained for the floatation of debentures up to five lakhs instead of their being approached every now and then for sanction, and that no limit of time should be prescribed for raising these debentures, so that they might be issued in instalments as and when they are required for payment of loans, till the entire amount was made up.. .

After further discussion, it was resolved that sanction of Government be obtained for floating a fresh series of debentures at 3½ per cent free of incometax for a sum of five lakhs of rupees, the debentures being issued from time to time in instalments according to the requirements of the Bank, and being kept open without limit of time till subscriptions are obtained for the entire amount.

\- - - - - - - - - -

"Extract"

Registrar of Cs.

The Mysore Co-operative Land Mortgage Bank, Ltd.,

Bangalore City.

(Registered under the Mysore Co-operative Societies Regulation No V of 1929)

PROSPECTUS OF DEBENTURE LOAN

(THIRD SERIES)

Issue of State-guaranteed Debentures to the extent of Rupees Four Lakhs carrying interest at 4 per cent per annum

Free of Mysore Income-Tax

---

1 Under the authority vested by section 56 of the Mysore Co-operative Societies Regulation No. V of 1929 and Clauses 28 to 36 of the Bye-laws of the Bank regulating the raising of funds by means of issue of debentures, and with the previous approval of the Government of Mysore conveyed in their Order No. D. 4535-38/L M. 16-34-3 dated 18th January 1935, the Mysore Co-operative Land Mortgage Bank, Limited, have resolved to issue a third series of debentures to the extent of Rupees Four (4) lakhs.

2 The debentures are subject to the following conditions:—

(1) The debentures will be of one denomination, viz., Rs. 100 and will be issued as and when funds are required by the Bank from time to time. Consolidated bonds for five, ten, or fifty debentures of the value of Rs. 500/-, Rs. 1000/-, and Rs. 5000/-respectively, will be issued, if required by the subscriber.

(2) The repayment of the principal amounts of the debentures at maturity as well as the payment of interest as it falls due, is guaranteed by the Government of Mysore.

(3) The debentures are exempt from Mysore Income-tax.

(4) The Debentures will be secured by first mortgages on real property obtained by the Bank, the estimated value of the property charged being at least double the amount of the mortgages.

(5) The debentures carry interest at four per cent per annum; provided however that, with the previous sanction of Government, the Bank shall be at liberty to effect a reduction in the rate of interest at any time after the expiry of ten years from the date of their issue and after giving the holders of the bonds the option to accept payment therefor in cash at par.

(6) (a) The debentures shall be redeemable at par on 1st ~~July~~ January 1965 1967 but the Bank reserves to itself the right to redeem at par as many bonds as it may deem necessary, at any time after the expiry of ten years from the date of their issue, the bonds to be thus redeemed being selected by lot once every year. Debentures in respect of which notice of redemption has been given to the holders by the Bank must be given up on the expiry of the term mentioned in the notice and, if the debentures are not so given up, the holder shall have no claim upon the Bank for interest accruing after the expiry of the term.

Note:—For purposes of conditions (5) and (6) (a) publication of a notice in the Mysore Gazette shall be deemed to be sufficient notice. Individual notices will also be given to such of the debenture holders as may have their names registered in the Bank's Office on payment of a fee of four annas.

(b) In the event of any debenture comprised in a consolidated bond being drawn for redemption under clause (a) above, the Bank will issue at its own cost, a sufficient number of bonds for the debentures remaining unredeemed.

(7) The interest on the debentures will be paid half-yearly on 1st July and 1st January, or the next working days when those days happen to be holidays, at the Bank's Office in Bangalore City. Arrangment will however be made, *on application*, for payment of interest at any Government Treasury in the Mysore State.

(8) The debentures are exempt from stamp duty.

(9) As per Section 57 of the Mysore Co-operative Societies Regulation No. V of 1929, these bonds

(a) shall be deemed to be negotiable instruments to which the provisions of the Mysore Negotiable Instruments Regulation 1917, apply; and

(b) shall be included amongst securities in which a trustee may invest trust funds under any law for the time being in force in Mysore.

(10) (i) Debentures which, by reason of damage sustained, have become unfit for circulation, will be replaced at the request of the holder on giving up the damaged or defaced debentures provided that the essential marks for genuineness and identity, especially the number, the amount, the rate of interest, the date and signatures of the authorised executing officers of the Bank are still recognizable. Fresh debentures shall also be issued to replace completely destroyed debentures when, in the opinion of the Bank, the fact of destruction is proved beyond any doubt or uncertainty.

(ii) When such proof is not produced or when in case of damage the essential marks on the debenture are lost and no longer recognizable, as well as in all cases in which the debenture has been stolen from the owner or has been in other ways mislaid, a new debenture will only be issued when the debenture which is alleged to be missing or unrecognisable has been previously advertised for by the claimant in the manner prescribed by the Bank and its nullity legally declared.

(iii) The re-issue shall be made for the same amount under the same number with the addition of the word "renewed". A fee of eight annas will be charged for every renewed debenture thus issued.

(11) Separate debenture bonds of Rs. 100 each or consolidated bonds of Rs. 500, Rs. 1,000 or Rs. 5,000 will be issued in lieu of bonds of equal value as far as possible on payment of a fee of eight annas for each bond so issued.

(12) Under No. (2) of the Rules relating to Mysore Co-operative Land Mortgage Bank issued with G. O. No. G. 5929/L.M 4—29—4 dated the 11th November 1929, a trustee has been appointed by Government to secure the fulfilment of the obligations of the Bank to the holders of these debentures.

"BY ORDER,"
M. A. Srinivasiengar,
Secretary.

BANGALORE CITY,
1st Feb. 1935.

MYSORE PRESS, NEW THARAGUPET, BANGALORE CITY.

Extract of the Report on the working of the Co-operative Societies in Mysore for 1935-36

Re Land Mortgage Banks.

The demand, collection and balance of loan instalments for the year were Rs 45474, Rs 24 897 and Rs 20577 respectively × × × The total outstandings against the borrowers amounted to Rs 4,46,786/-

THE MYSORE CO-OPERATIVE LAND MORTGAGE BANK, LTD.

ALBERT VICTOR ROAD, CHAMARAJPET.

Diwan Bahadur
RAJASABHABHUSHANA
K. R. SRINIVASIENGAR, M.A.,
PRESIDENT.

BANGALORE CITY.

DATED 25/11/1936

D.O. No: 237.

Dear Mr Madhava Rao.

Our funds for the grant of loans are under Exhaustion; and we are in urgent need of money for the grant of fresh loans. I shall therefore feel obliged if you will kindly ... early action in the proposal sent up by the Bank through the Registrar of Cooperative Societies for the issue of fresh debentures for five lakhs at 3½%.

Yours very ...

K. Srinivasa ...

Dear ~~Sir~~,Mr. Srinivasiengar,

I am in receipt of your D.O. letter No.237 dated 25th November 1936 regarding the issue of fresh debentures by the Mysore Co-operative Land Mortgage Bank. The matter is being examined and I trust, will be settled at an early date.

Yours sincerely,

Rajasabhabhushana
Diwan Bahadur K.R.Srinivasiengar, M.A.,
First Member of Council (Retd.), Bangalore.

G. R. S. App. F VI—G 2]

SUBJECT .....

Diary. No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Section L M

File No. 7-36

Serial No. 2

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 7-1- ...193 7.

Signed by Mr. K. Subba Rao.

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the press?

(vi) published in the Gazette, Kannada Part?

Read— G.O. No G 12215-8/L.M21-2; dated 11-4-30 authorising the Mysore Cooperative Land Mortgage Bank to issue debentures to the extent of Rs 3 lakhs at 5% interest free of income tax subject to certain conditions

G.O. No D 2624-7/L.M2-33-7 dated 30-11-33 authorising the said Bank to issue a second series of debentures to the extent of Rs 2·5 lakhs at 4 1/2 per cent interest free of income tax

G.O. No D 4535-38/L.M16-34-3 dated 18-1-35 authorising the Bank to issue a third series of debentures to the extent of Rs 4 lakhs each

cent per annum free of income

~~Bonds~~ ~~Corporation~~ ~~Securities~~ Ltd

No Cauch 29 dated 31-10-36 from

the Registrar Co-op. recommending

sanction to the issue of a fourth

series of debentures to the extent of

Rupees Five Lakhs ~~by~~ the L-M

Bank at 3½ per cent interest free

of income tax

Order No D 4189-92/ 7-1-37.

~~It is reported~~ ~~The Registrar reports~~ that ~~the Bank~~

~~have to for issue~~ / by the issue of the three series

of debentures ~~reps to the proposed~~

~~above sum~~ the L-M Bank have ~~raised~~ raised a capital

of Rs 4 66 100/- of which Rs 19500/- was ~~subscribed~~

~~represents the amount~~ subscribed by

~~It is also reported~~

~~It is further reported~~ and that loans

to the extent of Rs 503325/- have

been issued, and that a further

sum of Rs 60000/- is wanted for

the loans already sanctioned

List of Enclosure

Copied by

Examined by

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

~~stock~~

but not disbursed. The authorities of the Bank have, ~~in order~~ to extend the operations of the Bank and to take advantage of the present easy conditions of the money market for fortifying themselves in funds, ~~requested~~ for permission to float a fourth series of debentures of the value of Rs 5 lakhs at 3½ per cent and ~~?~~ free of income tax, ~~they have also requested Govt to take up~~ debentures in this series ~~for a further~~ of Rs ~~[illegible]~~ Rs. 1,80,200/- to Govt as to raise the investment of ~~Govt~~ in the Bank to Rs. two lakhs. The Registrar supports the proposal.

Government are pleased to sanction the proposal of the Bank to raise a fourth series of debentures of the value of Rs 5 lakhs at 3½ per cent redeemable at par on 1-1-19[illegible] free of income tax, the other conditions of issue being the same as those governing the issue of the third series.

in order to meet the demand for loans in the next two years. They have accordingly applied

of which they have requested Govt to take up

which is supported by the Registrar C.S.

WD 0186—GPR—15,000—6 9-34

The proposal ~~and dical~~ that Govt ~~they will~~ should take up debentures in this series is also sanctioned for a sum of Rs 180,200/- ~~subject to the condition that the limit~~ will be limited to the debentures issued to Govt to the extent of that subscription for the balance fall short of Rs 180,200/- the annual subscription for will be drawn in instalments and when required for disbursement of loans sanctioned by the Bank.

~~In this connection while according sanction the proposal to float debentures Govt would like to explain to the Bank the desirability of proceeding in a way to increase its indebtedness~~ Govt wish also to indicate to the RBI Bank that the recovery of instalments of loans granted by the Bank are neither punctual nor satisfactory and it is therefore desirable for the Bank to proceed cautiously in adding to its indebtedness.

Jun 5/937
Quarterly

To The Registrar C.S. 4/1.37
The Comptroller ~~Mysore~~
The Asst Comr in Mysore
The Branch L.M. Bank B'lore

App. F. VI, G. 10

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

G. O. No. D 4159-92/LMG-36-2 DATED the 7th January 193

May this be

i. printed ? Yes

ii. treated as a standing order ? No

iii. published in the Gazette, English Part ?

iv. translated ?

v. placed at the disposal of the Press ?

vi. published in the Gazette, Kannada Part ?

6.15.36 / 21-1-37. Debentures of the Land Mortgage Bank Ltd

Sanctions the issue of a fresh serie of

for a sum of Rs. five lakhs at 3½ per

cent for 15 years

Up
15.1.37

Ag CE
18/1/37.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.

R e a d:-

Government Order No.G.12215-8/L...21-29-2 dated 11th April 1930 authorising the Mysore Co-operative Land Mortgage Bank to issue debentures to the extent of Rs. 3 lakhs at 5% interest free of incometax subject to certain conditions.

Government Order No.D.2624-7/L.I..2-33-7 dated 30th November 1933 authorising the said Bank to issue a second series of debentures to the extent of Rs. 2.5 lakhs at 4½ per cent interest free of incometax.

Government Order No.D.4535-38/L.I.16-34-3 dated 18th January 1935 authorising the Bank to issue a third series of debentures to the extent of Rs. 4 lakhs at 4 per cent per annum free of -- incometax.

Letter No.Comp. 29 dated 31st October 1936 from the Registrar of Co-operative Societies recommending sanction to the issue of a fourth series of debentures to the extent of Rupees Five lakhs by the Land Mortgage Bank at 3½ per cent interest free of incometax.

****

O R D E R No. F 4189-92/L.M.7-36-2

Dated Bangalore the 6th/7th January 1937.

It is reported that by the issue of three series of debentures the Land Mortgage Bank have raised a capital of Rs.466100/- of which 19800/- was subscribed by Government and that loans to the extent of Rs.503325/- have been issued, and that a further sum of Rs. 60,000/- is wanted for the loans already sanctioned but not disbursed. The authorities of the Bank are anxious to extend the operations of the Bank and to take advantage of the present easy conditions of the money market for putting themselves in funds in order to meet the demand for loans in the next two years. They have accordingly applied for permission to float a

a fourth series of debentures of the value of Rs. 5 lakhs at 3½ per cent free of incometax of which they request Government to take up Rs.1,80,200/- so as to raise the Government investment in the Bank to Rs. two lakhs. The Registrar, Co-operative Societies supports the proposal.

Government are pleased to sanction the proposal of the Bank to raise a fourth series of debentures of the value of Rs.5 lakhs at 3½ per cent interest free of incometax redeemable at par on 1st January 1967 the other conditions of issue being the same as those forming the issue of the third series. The proposal that Government should take up debentures in this series for sum of Rs.1,80,200/- is also sanctioned. The debentures issue to Government will be limited to the extent that subscriptions from the public fall short of Rupees five lakhs and the amount subscribed by Government will be drawn in instalments and when required for disbursement of loans sanctioned by the Bank.

Government wish also to indicate to the Land Mortgage Bank that the recoveries of instalments of loans granted by Bank are neither punctual nor satisfactory and it is therefore desirable for the Bank to proceed cautiously in adding to its indebtedness.

(Sd) M. Venkatesa Iyengar

for General Secretary to Governme

To

The Registrar of Co-operative Societies in Mysore.
The Comptroller to Government through financial adv
The Revenue Commissioner in Mysore.
The President Land Mortgage Bank, Bangalore.

Government of his highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. D. 4189-92—L. M. 7-36-2, dated 6—7th January 1937.

Debentures of the Land Mortgage Bank, Ltd.

Sanctions the issue of a fourth series of —— for a sum of Rs. 5 lakhs at 3½ per cent free of Income-tax.

READ—

Government Order No. G. 12215-8—L. M. 21-29-2, dated 11th April 1930, authorising the Mysore Co-operative Land Mortgage Bank to issue debentures to the extent of Rs. 3 lakhs at 5 per cent interest free of income-tax subject to certain conditions.

2. Government Order No. D. 2624-7—L. M. 2-33-7, dated 30th November 1933, authorising the said Bank to issue a second series of debentures to the extent of Rs. 2·5 lakhs at 4½ per cent interest free of Income-tax.

3. Government Order No. D. 4535-38—L. M. 16-34-3, dated 18th January 1935, authorising the Bank to issue a third series of debentures to the extent of Rs. 4 lakhs at 4 per cent per annum free of Income-tax.

4. Letter No. Camp 29, dated 31st October 1936, from the Registrar of Co-operative Societies, recommending sanction to the issue of a fourth series of debentures to the extent of Rs. 5 lakhs by the Land Mortgage Bank at 3½ per cent interest free of Income-tax.

ORDER No. D. 4189-92—L. M. 7-36-2, DATED BANGALORE, THE 6—7TH JANUARY 1937.

It is reported that by the issue of three series of debentures, the Land Mortgage Bank have raised a capital of Rs. 4,66,100, of which Rs. 19,800 was subscribed by Government and that loans to the extent of Rs. 503,325 have been issued and that a further sum of Rs. 60,000 is wanted for the loans already sanctioned, but not disbursed. The authorities of the Bank are anxious to extend the operations of the Bank and to take advantage of the present easy conditions of the money market for putting themselves in funds in order to meet the demand for loans in the next two years. They have accordingly applied for permission to float a fourth series of debentures of the value of Rs. 5 lakhs at 3½ per cent free of Income-tax, of which they request Government to take up Rs. 1,80,200 so as to raise the Government investment in the Bank to Rs. 2 lakhs. The Registrar of Co-operative Societies supports the proposal.

2. Government are pleased to sanction the proposal of the Bank to raise a fourth series of debentures of the value of Rs. 5 lakhs at 3½ per cent interest free of Income-tax redeemable at par on 1st January 1967, the other conditions of issue being the same as those forming the issue of the third series. The proposal that Government should take up debentures in this series for a sum of Rs. 1,80,200 is also sanctioned. The debenture issued to Government will be limited to the extent that subscriptions from the public fall short of Rs 5 lakhs and the amount subscribed by Government will be drawn in instalments as and when required for disbursement of loans sanctioned by the Bank.

3. Government wish also to indicate to the Land Mortgage Bank that the recoveries of instalments of loans granted by the Bank are neither punctual nor satisfactory and it is therefore desirable for the Bank to proceed cautiously in adding to its indebtedness.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

To—The Registrar of Co-operative Societies in Mysore.
The Comptroller to Government through the Financial Department.
The Revenue Commissioner in Mysore.
The President, Land Mortgage Bank, Bangalore.

Exd.—C. K.

WD 1344—GPB—475—5-2 37